

**Information Network of Kansas
Board Meeting
August 2, 2007**

The August 2, 2007 meeting was held at the KDOT Office, 700 SW Harrison, 2nd Floor, Topeka, KS 66603. At 10:03 a.m. Chairman Yunk called the meeting to order.

The following Board members and proxy were present: Stan Ahlerich, Tim Blevins, Cynthia Dunham, Duncan Friend, Kathy Sachs, Dennis Slimmer, Tom Winters, and Dan Yunk. Others present were: Jim Hollingsworth, INK Executive Director: Lisa Counts, Wayne Dierks, Scott Morrison, and DiAnna Wages of Kansas Information Consortium (KIC); Dan Korber, Kansas, Inc.

Approval of Minutes

Yunk referred to the minutes of the June 7, 2007 meeting and requested corrections.

- Blevins noted Page 3, paragraph 4, “May 16, 2007” should be changed to “May 31, 2007.”
- Blevins noted Page 4, paragraph 3, “May 30, 2007” should be changed to “May 31, 2007.”
- Slimmer noted Page 2, paragraph 3, “met” should be changed to “meant.”
- Slimmer noted Page 3, paragraph 16, “may” should be changed to “pay.”

A motion was made by Dunham to approve the June 7, 2007 Minutes with corrections. Seconded by Slimmer. Motion carried.

Executive Director Report

Hollingsworth referred the Board to the Executive Director Report, and provided an update on:

- ITEC (Executive council comprised of private and public representatives charged with the adoption of IT policies for the state enterprise),
- ITAB (State IT representatives who meet monthly to discuss ongoing, upcoming, and current status of issues facing the state IT enterprise, and
- IT Security Council (State security professionals from large and small agencies to discuss security policy considerations for the state.

Hollingsworth noted the Grants Committee had met and discussed three grant requests, two received for the fall granting cycle and one received under the special grants category:

- Kansas, Inc. \$70,000 grant request for the development of electronic, systematic updates of the Indicators of the Kansas Economy (IKE) project.
- Kansas Department of Administration, Kansas Information Technology Office \$211,000 grant request for consulting costs to develop the State’s Strategic Information Management (SIM) Plan.
- Kansas Association of Counties/Kansas Collaborative \$20,000 special grant request to continue the GIS initiative.

Hollingsworth noted all requests exceeded expectations set forth by the INK granting procedures, and the Grants Committee recommended the approval of these grant requests. Discussion ensued.

Hollingsworth stated approximately \$700,000 was available for this year's granting cycle, and the recommendations by the Grants Committee required Board action.

Winters referred to the discussion held during a previous granting cycle in regards to abstaining or voting on certain grant requests, and disclosed his membership with the Kansas Association of Counties Board of Directors. Winters noted the first phase of the Kansas Association of Counties/Kansas Collaborative had been received well, and suggested Randy Allen give an update to the INK Board in September 2007.

Dunham requested clarification regarding grant reporting requirements for recipients, and Hollingsworth noted the new grant procedures would require quarterly reporting.

A motion was made by Slimmer to approve the following grant requests and amounts: Kansas, Inc. \$70,000 grant request for the development of electronic, systematic updates of the Indicators of the Kansas Economy (IKE) project; Kansas Department of Administration, Kansas Information Technology Office \$211,000 grant request for consulting costs to develop the State's Strategic Information Management (SIM) Plan; and Kansas Association of Counties/Kansas Collaborative \$20,000 special grant request to continue the GIS initiative. Seconded by Sachs. Discussion ensued.

Winters declared his membership with the Kansas Association of Counties Board of Directors and intent to vote on the grant requests.

Ahlerich acknowledged the discussion held during the previous granting cycle in regards to abstaining or voting, and respected Winters decision to participate in the vote; however, citing his involvement with Kansas, Inc., Ahlerich abstained from the vote.

Yunk referred the Board to the original motion. Motion carried.

Hollingsworth referred the Board to the contract between INK and the Legislative Coordinating Council (LCC), noting the LCC had expressed the relationship with INK has been good and communication lines have been maintained, and thus the LCC recommended a one-year extension of the current contract. Hollingsworth commended KIC staff for their efforts in meeting the needs of the LCC and recommended Board approval of the contract. Discussion ensued.

Blevins cited general concerns regarding the differences in legal language within this contract and other INK contracts, and questioned whether INK Counsel should review the contract before approval. Counts noted the contract was unique when compared with other INK contracts; however the contract had been reviewed and approved by KIC Counsel. Hollingsworth noted that INK Counsel had not reviewed the contract.

Discussion ensued regarding a potential contract review by INK Counsel, if time would allow it.

A motion was made by Blevins to support movement/approval of the contract between INK and the LCC following a brief review by INK Counsel. If INK Counsel reports no major issues within the contract and agrees with the Board's recommendation of approval, then the contract shall be approved. Seconded by Winters. Motion carried.

Hollingsworth referred the Board to the contract between INK and Wendling, Noe, Nelson, and Johnson to perform the annual Financial Audit and Agreed-Upon Procedures Audit. Hollingsworth recommended approval of the contracts.

Blevins noted these were two separate contracts the Board was acting on.

A motion was made by Ahlerich to approve the contracts between INK and Wendling, Noe, Nelson, and Johnson to perform the Annual Financial Audit at a cost of \$12,100 and the Agreed Upon Procedures Audit at a cost of \$2,600, for a total cost of \$14,700. Seconded by Dunham. Motion carried.

Network Manager Report

Counts provided the Board with highlights from the Network Manager Report for the period ending June 30, 2007. Among the highlights, Counts noted three new services were launched in June; the Kansas Real Estate Commission was added to the list of partners with the launch of their Realtor License renewals application; the Kansas.gov website was entered into the 2007 Best of the Web Awards; the Kansas Secretary of State's Office launched the Business Dissolutions application; KanPay Express launched two new applications for online conference registrations; and the subscriber billing changes project intended to switch from Credit Card to ACH or Manual payment options had a total of 1,053 accounts that had changed billing options (71 percent of total active accounts).

Counts noted there were no Service Requests for June.

Counts noted there were four new contracts for the Board to review from June:

- The **Kansas Department of Labor Collection/Payment Portal** will modify existing applications to submit unemployment insurance contributions for payment through the KanPay payment portal. The API allows businesses to use electronic check or credit card payments to make contributions, and it can be easily adapted for use by other agencies.
- The **Kansas Department of Labor** will modify existing applications or payment through the KanPay payment portal. The API allows businesses to use electronic check or credit card to register online for a conference.
- The **Kansas Department of Revenue** new contract proposed for approval, extending the expiration date to December 31, 2009 for all Department of Revenue Services provided by INK. An Addendum to the contract also adds a new service to provide monitoring services for employers or employers agents.
- The **Barton County District Court Searches** contract requests INK assistance for providing online district court searches.

A motion was made by Winters to approve the June contracts between INK and the Kansas Department of Labor, Kansas Department of Revenue, and Barton County District Court. Seconded by Slimmer. Motion carried.

Counts provided the Board with highlights from the Network Manager Report for the period ending July 31, 2007. Among the highlights, Counts noted the Kansas Department of Health and Environment launched a new license renewal application; KanPay Express launched three new applications for online conference registrations; 15 District Courts were online and 54 contracts were in the process of being completed; the Behavioral Science Regulatory Board adoption rate was 67 percent, an increase of 22 percent over last year; July was the first month for fully electronic subscriber billing statements where customers could not pay by credit card, which went smoothly; staff had been working on the implementation of the Content Management System (CMS); there were several staff changes as a result of promotions within NIC during July; and per discussion with the INK Board Treasurer Thornburgh, the Network Manager Report would no longer include Financial Reports from KIC, rather confidential financial statements would be available to INK Board members at the INK Board secure website.

Discussion ensued regarding the exclusion of the KIC Financials from the Network Manager Report.

A motion was made by Ahlerich to accept the suggestions of the INK Board Treasurer regarding the exclusion of the KIC Financials from the Network Manager Report and its availability to INK Board members on the INK Board secure website. Seconded by Sachs. Motion carried.

Counts noted there were no Service Requests for July.

Counts noted there were eleven new contracts for the Board to review from July:

- The **Kansas Dental Board Online License Renewals** request INK assistance in providing online license renewals.
- The following counties request INK assistance for providing online district court searches: **Allen, Ellsworth, Finney, Greeley, Hamilton, Kearny, Scott, Wilson, Wichita, and Woodson.**

A motion was made by Winters to approve the July contracts between INK and the Kansas Dental Board and the following District Courts: Allen, Ellsworth, Finney, Greeley, Hamilton, Kearny, Scott, Wilson, Wichita, and Woodson. Seconded by Slimmer. Motion carried.

Friend suggested the importance of providing and learning from information such as the results of the Behavioral Science Regulation Board adoption rate and its 67 percent increase over last year's cycle. Several Board members concurred, and Yunk noted the importance of marketing and understanding these type of successes provided through INK services, and the Boards consensus was to further pursue these type of marketing efforts.

Counts noted the NIC Partner Event would be held in Portland, Oregon from October 23-25, and requested Board members consider attending the event, as it would be helpful and provide useful insight for Board members.

Yunk also encouraged attendance, noting it was an informative event to attend.

Counts noted an annual security audit on the Kansas.gov portal would be occurring during the 4th quarter of 2007, and it would involve several security tests with Cybertrust to obtain certification during the year.

Counts provided an online demonstration of the Content Management System, highlighting its features, usability, and uniformity among websites. Discussion ensued regarding the CMS application.

Sachs requested clarification regarding any proprietary issues regarding Oklahoma's CMS software. Counts noted this practice was allowable and Kansas.gov could modify the software for their uses.

Treasurer's Report

Hollingsworth provided the Board with an overview of the INK Financials for the period ending June 30, 2007. Hollingsworth noted the financials look good overall.

Friend suggested some percentages within the financials could be misleading and further discussion or changes to the methodology would provide a more accurate depiction of what each service is actually contributing to the bottom line. Information similar to the Behavioral Science Regulatory Board and its 67 percent adoption rate increase over last year's cycle may provide useful information and comparisons for Board members.

Hollingsworth noted an application-level document addressing some of Friend's concerns would be available at the next month's meeting.

A motion was made by Sachs to approve the INK Financials for the period ending June 30, 2007. Seconded by Winters. Motion carried.

Hollingsworth provided the Board with an update on the line of credit in regards to replacing the \$300,000 contingency fund intended to purchase KIC equipment in the event of a change in vendors. Hollingsworth provided bids from Commerce Bank and Trust, Kaw Valley Bank and Trust, and UMB. Hollingsworth noted that in order to free up the \$300,000 contingency fund, the loan or note would be approximately 1-1.5 percent above whatever is being paid for the interest rate on the account. Hollingsworth recommended not pursuing the line of credit at this time. Discussion ensued.

Hollingsworth noted part of the difficulty was the collateralization with the line of credit.

Ahlerich noted while the contingency fund was a self imposed fund, INK was not intended to be a financial institution.

Winters noted the contingency fund was originally intended to provide funds in the event that INK would need to purchase equipment from its vendor to keep the portal functioning. However, Winters noted that KIC was a more mature company now, and the chances of using the contingency fund for this purpose is less than it was when KIC was a start-up company. If a better investment would arise, INK could consider using the contingency fund.

Counts noted the depreciated value of KIC equipment was \$244,000.

Blevins noted the contingency fund was designed for several purposes, one of which was to provide funds in the event that INK would need to purchase equipment from its vendor to keep the portal functioning. The \$300,000 amount was established given the costs of the current environment at the time, and based on the depreciated value remained fairly accurate. Among other purposes, the contingency fund was also established for disaster recovery, in the event that KIC equipment would not be available for purchase. Blevins noted that several discussions regarding the contingency fund had not accurately captured the full intent of the fund.

Yunk noted the Board would table pursuing the line of credit at this time.

Adjourn

With no further business, at 11:40 a.m. Yunk requested a motion to adjourn the meeting.

A motion was made by Sachs to adjourn the meeting. Seconded by Slimmer. Motion carried.

Respectfully submitted



Joan Wagnon
Secretary